



February 18, 2014

Notice 72-14-1

**NOTICE TO ALL TAXPAYERS SUBJECT TO THE
SPECIAL INFRASTRUCTURE TAX**

Senate Bill 2839 as passed by the 2011 Regular Session of the Mississippi Legislature authorized the **City of Jackson** to impose a Special Sales Tax of 1% on any person engaging in business in the city. The tax applies to those activities taxed at the rate of 7% or more under the Mississippi Sales Tax Law. The Mayor and the City Council of Jackson adopted, by resolution, their intent to levy the tax as the result of the city wide election held Tuesday, January 14, 2014. **This tax will be effective March 1, 2014.**

The tax **applies to every person making sales, delivery or installations of tangible personal property or services within the municipality**, but this tax will not apply to:

- 1) All sales currently exempt from sales tax.
- 2) Sales of restaurants derived from the sale of food and beverages. "Restaurant" means and includes all places where prepared food is sold and whose annual gross proceeds of sales or gross income for the preceding calendar year equals or exceeds One Hundred Thousand Dollars (\$100,000.00).
- 3) Income of hotels and motels derived from the sale of hotel and motel rooms for lodging purposes. "Hotel" or "motel" means and includes a place of lodging that at any one time will accommodate transient guests on a daily or weekly basis and that is known to the trade as such. Such terms shall not include a place of lodging with ten (10) or less rental units.
- 4) Retail sales of food for human consumption not purchased with food stamps issued by the United States Department of Agriculture, or other federal agency, but which would be exempt if the food items were purchased with food stamps, and
- 5) Gross income of businesses engaging or continuing in the business of TV Cable systems, subscription TV services, and other similar activities, including, but not limited to, cable internet services.
- 6) Gross income of businesses engaging or continuing in the business of providing telecommunications services and other similar services, including, but not limited to, internet services, internet protocol television (IPTV) services, satellite television services and mobile TV broadcasting services.

SOME KEY POINTS FOR THE NEW TAX INCLUDE

- 1) All sales of tangible personal property taxed at 7% or higher and not exempt as indicated above.
- 2) All telecommunications services and all commercial utilities, not exempt under 1 above.
- 3) All taxable services subject to the 7% rate performed at a location in Jackson are subject to the additional 1% tax even if the service provider is not physically located in Jackson. The same services performed outside the city limits of Jackson by a service provider physically located in Jackson are not subject to the levy.
- 4) All sales delivered to a location in Jackson or installed at a location in Jackson are subject to the additional 1% tax even if the seller is not physically located in Jackson. Sales delivered and/or installed outside the city limits of Jackson by a seller physically located in Jackson are not subject to the levy.

IMPORTANT: You should begin collecting the one percent (1%) additional tax beginning March 1, 2014. You should report this additional tax at Rate Code 21 on the Sales and Special Tax return provided by this agency or online using Taxpayer Access Point (TAP). For taxpayers located in Hinds, Madison, Rankin, Warren, and Copiah counties, the rate code will be preprinted on your paper return or it will be a required field on your electronically filed return through TAP. TAP filers will be required to enter the amount of sales or income subject to the 1% tax, or check the box "Zero File" if you have no sales subject to this levy. Taxpayers located out of these five counties may owe the 1% tax. If you do owe this tax on any of your sales, you will need to enter Rate Code 21 on the return when you file.